

## Internal Revenue Service

Department of the Treasury  
Washington, DC 20224

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Date:  
March 16, 2012

In Re: Private Letter Ruling Request

Organization =

Law =

Agency =

Director =

War =

Directorate =

Dear :

This is in response to your November 4, 2011, Private Letter Ruling request on behalf of Organization. You requested a ruling that contributions to Organization are tax deductible.

### FACTS

Congress created Organization to coordinate, support, and facilitate programs and activities of the federal government, state and local governments, and other persons and organizations in commemoration of the War. Law authorized Organization, and provided that Organization's programs may include activities and ceremonies to achieve the following objectives:

- (1) To thank and honor veterans of the War, including personnel who were held as prisoners of war or listed as missing in action, for their service and sacrifice on behalf of the United States and to thank and honor the families of these veterans.

(2) To highlight the service of the Armed Forces during the War and the contributions of Federal agencies and governmental and non-governmental organizations that served with, or in support of, the Armed Forces.

(3) To pay tribute to the contributions made on the home front by the people of the United States during the War.

(4) To highlight the advances in technology, science, and medicine related to military research conducted during the War.

(5) To recognize the contributions and sacrifices made by the allies of the United States during the War.

Organization is an Agency entity, organized under the Directorate, a separate activity of Agency. Members of Organization are all Agency employees appointed under Title 5 of the United States Code. Organization is required to report its financial and other activities to a number of organizations within Agency and ultimately to Congress.

All funds assigned, transferred or donated to Organization must be deposited with the Treasurer of the United States. Organization's expenditures are authorized through a combination of individuals within and outside Organization. Organization's Financial Officer reviews proposed contracts before reserving funds for those contracts. Funding documents are also reviewed by Directorate. Organization contemplates four sources of funding: direct appropriations from Congress, transferred appropriations from Agency, funds derived from the use of certain exclusive rights, and private donations.

## LAW AND ANALYSIS

Section 170(a)(1) of the Internal Revenue Code ("Code") provides that a donor may take a deduction for any charitable contribution.

Section 170(c)(1) of the Code states that the term "charitable contribution" includes a contribution or gift to or for the use of the United States, but only if the contribution or gift is made for exclusively public purposes.

Revenue Ruling 67-249, 1967-2 C.B. 179, concerned a non-appropriated fund activity, or welfare fund, established and operated pursuant to United States Armed Forces regulations. The fund provided recreational and welfare activities for military base personnel and their dependents, "an activity of the United States government." Because the activity was part of the United States government, the revenue ruling held that the fund was not subject to federal income tax or required to file returns. Moreover, the fund did not have to apply for exemption under section 1.501(a)-1 of the Income Tax Regulations to establish its exemption.

Revenue Ruling 79-323, 1979-2 C.B. 106, held that amounts contributed to an industrial commission were deductible charitable contributions under Section 170(c) of the Code. The commission had been established by a state legislature to study the problems of industrial life in a particular geographic area. It was composed of representatives appointed by the elected officials from each participating municipality and had the power to provide for the housing of industries, acquire land, borrow money, sell property, issue bonds, and establish a per capita assessment. The financial and other activities of the commission were subject to review by the state and the member municipalities. The purposes for which the moneys were spent by the commission had to be consistent with the intent of the legislature in establishing the commission.

Organization was formed by an act of Congress to commemorate the War. Organization is an Agency entity of the federal government. Its members are all employees of the federal government. Like the commission in Rev. Rul. 79-323, *supra*, its financial and other activities are subject to government review. Its activities are also subject to review by Congress, an elected body. All funds assigned, transferred, or donated to it must be deposited with the Treasurer of the United States. Law provides that it must operate for specific purposes including, inter alia, thanking and honoring veterans of the War, as well as to pay tribute to contributions made by the people of the United States during the War. These objectives serve no private purposes; Organization therefore serves exclusively public purposes.

Like the welfare fund in Rev. Rul. 67-249, *supra*, Organization is, in effect, an activity of the federal government. Contributions to Organization are therefore deductible to the extent allowed in Section 170 of the Code.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

Casey A. Lothamer

Senior Technician Reviewer, Exempt Organizations (Tax Exempt & Government Entities)

cc :